

~~CONFIDENTIAL~~

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(h) The question of using the unit basis for depreciation of vessel costs is presently on the agenda of items under consideration by company management. Acceptance of the suggestion is anticipated.

(i) An entirely new basis for valuation of spare flight equipment and spare rotatable parts has been developed by the company management in collaboration with the accountants at March 31, 1956. This was an ideal date for change of method without significant effect upon financial results. The new method introduces simplicity of approach and explanation and has reduced markedly the volume of computations.

(Unlettered) The steps taken in connection with limiting cash and other accounting records at branch locations are in accord with the principles outlined in the accountants' suggestions. Some subsidiary aspects of these suggestions are on the agenda for further consideration by management.

(Unlettered) The method recommended by the accountants for recording net receivable (J.W.O.) of \$126,000.00 is being reflected in the books.

2. Suitable steps will be taken to obtain from the company periodic schedules of salaries paid agents.

3. Future reports submitted by [REDACTED] independent certified public accountants for periods following February 28, 1955, will be considered for approval.

25X1A2g

(Signed) H. Gates Lloyd

L. K. White
Deputy Director (Support)

DD/S-CM: [REDACTED] vam (24 Oct. 56)

Distribution:

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- 1 - FE [REDACTED]
- 1 - PD [REDACTED]
- 2 - DD/S (Mr. White) *subject claim reading*
- 3 - CM *initialled*

3-3

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25X1A9a

25X1A